

**AWARD**  
**NASD Dispute Resolution**

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In the Matter of the Arbitration Between

Name of Claimants

Helen D. Logarakis, Ind and as Trustee of The Eliopoulos Family  
Limited Partnership

and

04-04334  
Chicago, Illinois

Name of Respondents

Stifel, Nicolaus & Co., Inc.  
Stephen Straus

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Nature of the Dispute: Customer vs. Member and Associated Person.

**REPRESENTATION OF PARTIES**

Helen D. Logarakis, Ind and as Trustee of The Eliopoulos Family Limited Partnership ("**Claimants**") were represented at the hearing by Andrew Stoltmann, Esq., Stoltmann Law Offices, P.C., Chicago, Illinois. Sandor Grossman, Esq., Chicago, Illinois filed the Statement of Claim on behalf of **Claimants**.

Stifel, Nicolaus & Co., Inc. ("**Respondent Stifel**") and Stephen Straus ("**Respondent Straus**") hereinafter referred to as ("**Respondents**") were represented by M. Jane Matoesian, Esq., Greensfelder, Hemker & Gale, P.C., St. Louis, Missouri and David M. Minnick, Esq., Stifel, Nicolaus & Co., Inc., St. Louis, Missouri.

**CASE INFORMATION**

The Statement of Claim was filed on or about June 21, 2004. Claimants' Response to Respondents' Motions to Dismiss and For a More Definite Statement was filed on or about May 23, 2005. Claimants' Response to Respondents' Renewed Motion to Dismiss for Failure to State a Claim for Relief was filed on or about October 11, 2005. Submission Agreement of Claimant Helen D. Logarakis, Ind and as Trustee of The Eliopoulos Family Limited Partnership was signed on June 16, 2004.

Answer and Motion For a More Definite Statement of Claim of Respondents to the Claimants' Statement of Claim was filed by Respondents Stifel, Nicolaus & Co., Inc. and Stephen Straus on or about January 27, 2005. Respondents' Motion to Dismiss was filed on or about May 16, 2005. Respondents' Renewed Motion to Dismiss for Failure to State a Claim for Relief was filed on or

about September 26, 2005. Submission Agreement of Respondent Stifel, Nicolaus & Co., Inc. was signed on January 27, 2005 by David M. Minnick. Submission Agreement of Respondent Stephen Straus was signed on December 13, 2004.

### CASE SUMMARY

Claimants alleged that

Agent Straus placed his own interests and the interests of Stifel ahead of those of the Claimants. Because of Respondent Stifel's actions, omissions, misrepresentations, negligence, breaches of duties and failure to properly supervise, it along with Agent Straus, have become liable to the Claimants on a number of legal grounds, including, but not limited to, the following:

- Effecting unsuitable transactions under the Illinois Securities law of 1953;
- Negligence;
- Misrepresentations and omissions;
- Failure to supervise;
- Violations of the Illinois Securities Act of 1953, the Illinois Consumer Fraud and Deceptive Practices Act and the NASD Conduct Rules;
- Breach of contract;
- Constructive fraud/breach of fiduciary duty; and
- Common law fraud.

Respondents denied the allegations set forth in the Statement of Claim. Respondents specifically stated:

All recommendations to purchase or sell a security made by Mr. Straus to Ms. Logarakis had a reasonable basis at the time the recommendations were made. While at Stifel, there were no purchases of MCIC/WCOM stock in the EFLP account, in Ms. Logarakis' IRA or in the joint account held with her mother Mary Eliopoulos. While Ms. Logarakis was not known to possess an MBA in finance, she at all times demonstrated to Mr. Straus that she was a knowledgeable investor, who understood the risks associated with her investments and appeared to have a high level of understanding of the securities which she owned and controlled after her mother's death. Ms. Logarakis at all times controlled her accounts and the EFLP account, and was solely responsible for all decisions to buy, sell, or to hold securities. Her claim that the Respondents are somehow responsible for "managing" any of the accounts she owned and controlled, without factual or legal basis, and cannot be sustained. The claims alleged against the Respondents are totally without merit and must be dismissed.

### **RELIEF REQUESTED**

Claimants requested an award against the Respondents, jointly and severally, in an amount that includes the following:

1. Actual damages in the amount of \$1,336,218;
2. Attorney fees and costs of arbitration, including but not limited to expert witness fees, expenses and accounting fees as specifically authorized under the Illinois Securities Law of 1953 (815 ILCS 5/13-A-2) and the Illinois Consumer Fraud and Deceptive Practices Act (815 ILCS 505/10A);
3. Lost interest at the statutory rate of 10% annually, as specifically authorized under the Illinois Securities Law of 1953 (815 ILCS 5/13-A-2) and the Illinois Consumer Fraud and Deceptive Practices Act (815 ILCS 505/10A);
4. Pre and post award interest at the statutory rate; and
5. Punitive damages.

Respondents requested that the Statement of Claim be dismissed in its entirety and that the costs and expenses of this case be assessed against the Claimants.

### **OTHER ISSUES CONSIDERED & DECIDED**

On June 15, 2005, the Arbitration Panel issued its Preliminary Order on Respondents' Motions to Dismiss and for a More Definite Statement. In that Order, the motions were taken under advisement pending the conclusion of the final hearing on the merits in this proceeding.

At the hearing, Respondents renewed their Motion to Dismiss. After considering the evidence presented to that point, the Arbitration Panel took the motion under advisement.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

### **AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. The claims asserted in this matter are dismissed.
2. The Panel recommends the expungement of all reference to the above captioned arbitration

from Respondent Stephen Straus's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notices to Members 99-09 and 99-54, Respondent Stephen Straus must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive. In making this recommendation, the Arbitration Panel states: all claims and supporting allegations filed against registered representative Stephen Straus in this proceeding have been found by the panel, unanimously, to be false within the meaning of Rule 2130, subpart (b)(1)(C).

3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

#### **FEES**

Pursuant to the Code, the following fees are assessed:

##### **Filing Fees**

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$500.00

##### **Member Fees**

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is(are) Stifel, Nicolaus & Co., Inc..

Member surcharge	\$	2,800.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	5,000.00
Total Member Fees	\$	8,550.00

### Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1	Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	450.00
	October 28, 2005	1	session		
3	Pre-hearing session(s) with Panel	x	1,200.00	\$	3,600.00
	April 13, 2005	1	session		
	June 15, 2005	1	session		
	October 24, 2005	1	session		
7	Hearing sessions	x	1,200.00	\$	8,400.00
	December 12, 2005	2	sessions		
	December 13, 2005	2	sessions		
	December 14, 2005	3	sessions		
	Total Forum Fees			\$	12,450.00

The Arbitration Panel has assessed \$12,450.00 of the forum fees to Stifel, Nicolaus & Co., Inc.

### Fee Summary

Claimant, Helen D. Logarakis, Ind and as Trustee of The Eliopoulos Family Limited Partnership, is liable for:

Initial Filing Fee	= \$	500.00
Total Fees	= \$	500.00
<u>Less payments</u>	= \$	-1,700.00
Balance to be refunded by NASD Dispute Resolution	= \$	-1,200.00

Respondent, Stifel, Nicolaus & Co., Inc., is liable for:

Member Fees	= \$	8,550.00
<u>Forum Fees</u>	= \$	12,450.00
Total Fees	= \$	21,000.00
<u>Less payments</u>	= \$	-8,550.00
Balance Due NASD Dispute Resolution	= \$	12,450.00

All balances are due to NASD Dispute Resolution

**ARBITRATION PANEL**

Terry F. Peppard, Esq. - Public Arbitrator, Presiding Chair  
Michael Nathanson, CPA - Public Arbitrator  
William J. Bayer - Non-Public Arbitrator

Concurring Arbitrators:

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Terry F. Peppard, Esq.  
Public Arbitrator, Presiding Chair

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Signature Date

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Michael Nathanson, CPA  
Public Arbitrator

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Signature Date

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William J. Bayer  
Non-Public Arbitrator

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Signature Date

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Date of Service (For NASD office use only)

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**Concurring Arbitrators:**

  
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Public Arbitrator, Presiding Chair

1/4/06  
Signature Date

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Michael Nathanson, CPA  
Public Arbitrator

\_\_\_\_\_  
Signature Date

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William J. Bayer  
Non-Public Arbitrator

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Public Arbitrator, Presiding Chair

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Signature Date

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*Michael Nathanson*  
Michael Nathanson, CPA  
Public Arbitrator

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4 JAN 06  
Signature Date

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William J. Bayer  
Non-Public Arbitrator

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Signature Date

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